

has reasonably confirmed is accurate to the consumer reporting agency described in 15 U.S.C. 1681a(p) from whom it received the notice of address discrepancy when the user:

- (i) Can form a reasonable belief that the consumer report relates to the consumer about whom the user requested the report;
- (ii) Establishes a continuing relationship with the consumer; and
- (iii) Regularly and in the ordinary course of business furnishes information to the consumer reporting agency from which the notice of address discrepancy relating to the consumer was obtained.

(2) *Examples of confirmation methods.* The user may reasonably confirm an address is accurate by:

- (i) Verifying the address with the consumer about whom it has requested the report;
- (ii) Reviewing its own records to verify the address of the consumer;
- (iii) Verifying the address through third-party sources; or
- (iv) Using other reasonable means.

(3) *Timing.* The policies and procedures developed in accordance with paragraph (d)(1) of this section must provide that the user will furnish the consumer's address that the user has reasonably confirmed is accurate to the consumer reporting agency described in 15 U.S.C. 1681a(p) as part of the information it regularly furnishes for the reporting period in which it establishes a relationship with the consumer.

PART 642—PREScreen OPT-OUT NOTICE

Sec.

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AUTHORITY: Pub. L. 108–159, sec. 213(a); 15 U.S.C. 1681m(d).

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§ 642.1 Purpose and scope.

(a) *Purpose.* This part implements section 213(a) of the Fair and Accurate Credit Transactions Act of 2003, which requires the Federal Trade Commission

to establish the format, type size, and manner of the notices to consumers, required by section 615(d) of the Fair Credit Reporting Act (“FCRA”), regarding the right to prohibit (“opt out” of) the use of information in a consumer report to send them solicitations of credit or insurance.

(b) *Scope.* This part applies to any person who uses a consumer report on any consumer in connection with any credit or insurance transaction that is not initiated by the consumer, and that is provided to that person under section 604(c)(1)(B) of the FCRA (15 U.S.C. 1681b(c)(1)(B)).

§ 642.2 Definitions.

As used in this part:

(a) *Simple and easy to understand* means:

- (1) A layered format as described in § 642.3 of this part;
- (2) Plain language designed to be understood by ordinary consumers; and
- (3) Use of clear and concise sentences, paragraphs, and sections.

(i) *Examples.* For purposes of this part, examples of factors to be considered in determining whether a statement is in plain language and uses clear and concise sentences, paragraphs, and sections include:

- (A) Use of short explanatory sentences;
- (B) Use of definite, concrete, everyday words;
- (C) Use of active voice;
- (D) Avoidance of multiple negatives;
- (E) Avoidance of legal and technical business terminology;
- (F) Avoidance of explanations that are imprecise and reasonably subject to different interpretations; and
- (G) Use of language that is not misleading.

(ii) [Reserved]

(b) *Principal promotional document* means the document designed to be seen first by the consumer, such as the cover letter.

§ 642.3 Prescreen opt-out notice.

Any person who uses a consumer report on any consumer in connection with any credit or insurance transaction that is not initiated by the consumer, and that is provided to that person under section 604(c)(1)(B) of the